

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6371**

**BILL NUMBER:** HB 1316

**NOTE PREPARED:** Nov 24, 2006

**BILL AMENDED:**

**SUBJECT:** Pharmacy Security.

**FIRST AUTHOR:** Rep. Neese

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

*Refusal to Honor Prescription-* The bill allows a pharmacist to refuse to honor a prescription if honoring the prescription would endanger the safety of a person employed by the pharmacy. The bill requires a pharmacist to notify the physician who issued a prescription if the pharmacist refuses to honor the prescription because honoring the prescription would: (1) be against the best interest of the patient; or (2) be contrary to the health and safety of the patient.

*Board of Pharmacy-* The bill allows the Board of Pharmacy to suspend, revoke, or refuse to renew a pharmacy permit if the permittee fails to implement security measures designated by the Board.

*Intimidation As Class D Felony-* The bill makes intimidation a Class D felony instead of a Class A misdemeanor if the person to whom the threat is communicated is an employee of a pharmacy.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** *Intimidation As Class D Felony-* Under the bill, intimidation of an employee or patron of a pharmacy, pharmacist intern, or extern would be a Class D felony instead of a Class A misdemeanor. State expenditures could increase if an offender is incarcerated in a state prison rather than in a local jail. However, any expenditure increase is likely to be small. A Class D felony is punishable by a prison term ranging between six months to three years or reduction to Class A misdemeanor. The period of incarceration will depend upon mitigating and aggravating circumstances. If offenders can be housed in existing facilities with no additional staff, the average cost per offender for medical care, food, and clothing

is approximately \$1,825 annually, or \$5 daily. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** *Refusal to Honor Prescription-* The bill would grant immunity to pharmacists from criminal prosecution and civil liability for refusing to honor a prescription for certain reasons. If fewer civil actions occur as a result of the immunity provision, the state General Fund would receive fewer court filing fees than it would otherwise. Current filing fees are \$100 per action. However, any changes in revenue are likely to be small.

*Intimidation As Class D Felony-* More revenue to the Common School Fund could be collected if a larger criminal fine is assessed by the sentencing court. However, any increase in revenue is likely to be small. The maximum fine for a Class A misdemeanor is \$5,000, while the maximum fine for a Class D felony is \$10,000. Court fees for both misdemeanors and felonies are the same.

**Explanation of Local Expenditures:** *Intimidation As Class D Felony-* If an offender is sentenced to state prison rather than to a county jail, the costs to the county may be reduced. However, any cost reduction is likely to be small. The maximum term of imprisonment for a Class A misdemeanor is up to one year.

**Explanation of Local Revenues:** *Refusal to Honor Prescription-* The bill would grant immunity to pharmacists from criminal prosecution and civil liability for refusing to honor a prescription for certain reasons. If fewer civil actions occur as a result of the immunity provision, the following local funds would receive fewer court filing fees than would have otherwise occurred.

The county general fund receives 27% of the \$100 civil filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record receives 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. However, any changes in revenue are likely to be small.

*Intimidation As Class D Felony-* Court fees for both misdemeanors and felonies are the same.

**State Agencies Affected:** Department of Correction.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Indiana Sheriffs' Association, Department of Correction.

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